

IMMEDIATE RELEASE

**THIS IS NOT AN OFFICIAL STATEMENT
OF THE COURT, BUT IS SOLELY FOR
THE CONVENIENCE OF THE PRESS.**

Cross-Defendants.

**DAVID O. KINGSTON, both individually
and derivatively on behalf of CollabWare
Corporation,**

Cross-Claimant,

v.

**COLLABWARE CORPORATION, an
Idaho corporation, WILLIAM J. INMAN, an
individual, and BARRY L. MOYER, an
individual,**

Cross-Defendants.

DAVID O. KINGSTON,

Third-Party Plaintiff,

v.

**MICHAEL J. LIGHTFOOT, an individual,
MICHAEL J. LIGHTFOOT, P.C., GARY
BLUME, an individual, and BLUME LAW
FIRM, P.C.,**

Third-Party Defendants.

BARRY L. MOYER,

Cross-Claimant,

v.

**COLLABWARE CORPORATION, an Idaho
corporation, WILLIAM J. INMAN, an
individual, DAVID O. KINGSTON, an
individual, and MICHAEL J. LIGHTFOOT,
an individual,**

Cross-Defendants.

**GARY BLUME, an individual, and BLUME
LAW FIRM, P.C.,**

Cross-Claimants,

v.

**MICHAEL J. LIGHTFOOT, an individual,
and MICHAEL J. LIGHTFOOT, P.C.,**

Cross-Defendants.

**GARY BLUME, an individual, and BLUME
LAW FIRM, P.C.,**

Counterclaimants,

v.

**DAVID O. KINGSTON, an individual, and
COLLABWAR CORPORATION, an Idaho
corporation,**

Counterdefendants.

Appeal from the District Court of the Fourth Judicial District, State of
Idaho, Ada County. Hon. Deborah A. Bail, District Judge.

Order denying motion for change of venue, affirmed.

Hawley, Troxell, Ennis & Hawley, Boise, for appellant. Eugene A. Ritti
argued.

Cosho, Humphrey, Greener & Welsh, Boise, for respondents. Daniel L.
Glynn argued.

In a unanimous opinion released today and authored by Justice Burdick,
the Idaho Supreme Court affirmed the district court's denial of defendants' motion to
change venue from Ada to Bonneville County.

The plaintiffs brought suit against Collabware Corporation and its shareholders in
Ada County because that is where the company allegedly made misrepresentations to
potential investors. Collabware's principle place of business was in Bonneville County,
Idaho and the in-state shareholder defendants also resided there. The defendants claimed
that the causes of action did not arise until the plaintiffs were damaged and this did not
occur until the corporation accepted the subscription agreements in Bonneville County.

The district court denied defendants' motion to change venue from Ada to Bonneville County.

The Idaho Supreme Court holds that the phrase "where the cause of action arose" in a fraud case to mean venue lies where the misrepresentation was made or heard, or where the injury occurred. In a security case the phrase means venue lies where the offer to sell was made or where the securities were sold. The Idaho Supreme Court affirms the district court's decision to deny defendants' motion to change venue.